## **MULTIMEDIA UNIVERSITY**

## FINAL EXAMINATION

T2, 2019/2020

### **BCM 7124 – CHANGE MANAGEMENT**

(MBA Full Time)

17 JANUARY 2020 9.00 a.m. – 12.00 p.m. (3 Hours)

#### **INSTRUCTIONS TO STUDENTS:**

- 1. This question paper consists of 3 pages (inclusive of the cover page).
- 2. Answer ALL questions. The distribution of the marks for each question is given.
- 3. Write your answers in the Answer Booklet provided.

#### **Answer ALL Questions**

#### **Question 1**

# Case Study: Companies Try to Change Employees' Behaviour Toward using Car Pooling, Mass Transit, Shuttles, and Buses (50 marks)

For years, in-house transportation gurus at companies across the country have been constantly focusing about how to make their employees out of their cars. They have handed out mass-transit pass, ordered fleets of luxury coaches, reserved premium parking spots for van pools, and filled locker rooms with toiletries and towels for those who bike to work. They have educated workers about the evils of not only the SUV but the SOV (single-occupancy vehicle). And they have reported that those who travel to work alone in cars are the most miserable commuters of all.

Nothing, however, has done as much for their cause as today's record prices for petrol. Employees who once sneered at the "bus people" or "bike freaks" are demanding to sign up for all manner of company-subsidised transportation programs. "Every time gas prices rises I get more and more employees who are taking our car pools or van pools or shuttle buses," says Schering-Plough's transportation chief Sheila Gist. In the past year alone, Gist says, ridership is up by as much as 40%. Companies are big on breaking the car addiction because doing so raises productivity, enhance morale, and delivers more "green".

The surge in oil prices has accelerated the trend. So have new corporate tax deductions for employer-subsidized transportation. Consider what's happening at insurer Safeco. When the company moved to Seattle last year, it installed commuting concierges to help employees figure out how best to use the company's voucher for mass transit, shuttles, car pools, and ferries. Free rentals from Zipcar await those who need to travel during the day. Safeco also encourages its staff to skip the commute altogether by offering free phone and broadband service for their home offices, as well as furniture stipend with which to decorate. Today (in 2008) 90% of employees are out of their cars, up from 50% in 2006. The company is aiming for zero-car status. Says Safeco transportation analyst Brady Clark: "We're still working on that 10%."

Some companies can't meet the demand fast enough. After Microsoft rolled out a new shuttle-bus service last Fall season, employees immediately requested for more routes. The comfortable, Wi-Fi-equipped coaches have become so wildly popular – strategy chief Craig Mundie is a big fan – that when word leaked recently that Microsoft was adding to the service, a group of Microserfs hacked into the reservation system and filled up the new routes before they were even announced. Employee Bryan Keller used to commute alone in his 20-mpg Honda Pilot. "I've gained two hours of my day," he says. Using Microsoft's online "carbon calculator," Keller estimates he's saved \$150 on gas and dropped 1,000 pounds of CO<sub>2</sub> from his carbon footprint since he began using the service in October 2007.

(Source: Kinicki & Williams, Management, 2019, fourth edition, McGraw Hill)

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Based on the above case study, answer the following questions:

- a) Discuss four (4) possible pressures (i.e. environmental pressures and/or organisational pressures) that cause organisations such as Safeco and Microsoft to try and change employees' views about driving to work.
- b) How did Safeco and Microsoft try to reduce employees' resistance to their work travel programmes? Describe. (10 marks)
- c) A change manager should be alert to the various ways in which resistance to change can be demonstrated. Explain four(4) types of symptoms of passive resistance. (8 marks)
- d) Thinking more broadly, will the price of gasoline create incremental or radical innovation for organisations? What type of industries will be most affected? Justify your answer.

(10 marks)

- e) To what extent would Safeco and Microsoft's travel programmes increase productivity? Explain. (6 marks)
- f) What are your other suggestions that you can provide to get employees "out of car" to working place? (4 marks)

#### Question 2 (25 marks)

- a) Vision is critical to drive change. However, visions can fail for a number of reasons. Discuss five (5) of them with explanation.
  (9 marks)
- b) According to contingency approach to change communication, Kathleen and Kevin Reardon (1999) suggested that different leadership styles use different communication processes and strategies. Explain the four (4) leadership styles with their respective communication strategies. (16 marks)

#### Question 3 (25 marks)

- a) Kurt Lewin developed a three-stage model of how change occurs. Discuss how Lewin's model of change relates to the actions of the Organisational Development (OD) practitioner (action research)? (16 marks)
- b) Being politically skilful (in positive sense) is often a key part of being a successful change manager. Explain three (3) reasons with examples. (9 marks)

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